

(1) Repeal Section 110385:

Chapter 1. Program Administration

Subchapter 1. Operations

Article 1. Definitions

~~§ 110385—Income Withholding Order.~~

~~“Income withholding order,” “assignment order,” “assignment order for support,” “earnings assignment order,” “earnings assignment order for support” or “wage assignment” means an order or legal process directed to an obligor’s employer, or other debtor of the obligor, to withhold from the income of the obligor an amount owed for support. Any income withholding order, or assignment order, or assignment order for support, or earnings assignment order, or earnings assignment order for support, or wage assignment order issued by a local child support agency shall be issued on the California version of federal form “Order/Notice to Withhold Income for Child Support” OMB No. 0970-0154.~~

NOTE: Authority cited: Sections 17306, 17310 and 17312, Family Code.
Reference: Sections 4901 and 5208, Family Code.

§110449. National Medical Support Notice.

“National Medical Support Notice” means the notice, “National Medical Support Notice (NMSA),” Part A, “Notice to Withhold for Health Care Coverage,” OMB 0970-0222, and Part B, “Medical Support Notice to Plan Administrator,” OMB 1210-0113, directed to the obligor’s employer pursuant to a medical support order requiring the obligor to provide health insurance coverage for the obligor’s minor child(ren).

NOTE: Authority cited: Sections 17306, 17310 and 17312, Family Code.
Reference: Sections 3760 and 3761, Family Code.

§110554. Recipient of Services.

“Recipient of services” means the custodial party or noncustodial parent who has applied for, or is receiving, Title IV-D services, or has been referred to the Title IV-D agency.

NOTE: Authority cited: Sections 17306, 17310 and 17312, Family Code.
Reference: Section 11479, Welfare and Institutions Code; and 45 Code of Federal Regulations, Section 303.11.

§ 118020. Case Closure.

“Case closure” means that Title IV-D services will no longer be provided. Case closure shall not affect a child support order or arrears that have accrued under the order.

NOTE: Authority cited: Sections 17306, 17310 and 17312, Family Code.
Reference: Section 17531, Family Code; and 45 Code of Federal Regulations, Section 303.11.

(2) Amend Section 118203 as follows:

§118203. Requirements for Case Closure.

(a) Each local child support agency shall establish and use a system for closing Title IV-D cases and shall close any case when it meets at least one of the following case closure criteria:

(1) There is no longer a current support order and no arrearage payments were made in the preceding twelve consecutive months, and assigned and unassigned arrears total less than \$500 or arrears are unenforceable under state law. Situations to which this criterion apply include, but are not limited to, the following:

(A) Reconciliation of the family.

(B) The death of a child for whom support is owed.

(C) Paternity is established and is the only Title IV-D service needed because both parents in a Title IV-A grant are living together.

(D) A child for whom support is sought dies before paternity can be established.

(E) Cases with medical support orders with specific dollar amounts and arrears which accrue under such orders.

(F) Emancipation of the youngest child.

(2) The noncustodial parent or alleged father is deceased and no further action can be taken, including a levy against the estate. The local child support agency shall:

(A) Verify the death of the noncustodial parent or alleged father.

(B) Document that attempts to identify assets in the estate that could be levied against were unsuccessful. The closure notice required by subsection (b) below, shall include information about possible Social Security Administration death benefits pursuant to subsection (b)(3)(C).

(3) Paternity cannot be established because of one of the following:

(A) The youngest child requiring paternity establishment has reached 18 years of age and there is no pending judicial action to establish the child's paternity.

(B) A genetic test, or court, or administrative process has excluded the alleged father and the custodial party has attested under penalty of perjury that he or she does not know the identity of other individuals who could be the father.

(C) A local child support agency, in conjunction with the county welfare department, determines that the child's best interest will not be served by establishing paternity in a case involving incest or forcible rape, or a case where legal proceedings for adoption are pending.

(D) Either the first or the last name of the biological father is unknown and cannot be identified after diligent efforts, including at least one face-to-face interview by the local child support agency with the custodial party. For the purpose of this subparagraph "diligent efforts" means acting on leads the

custodial party may provide that could help identify and locate the biological father, such as a last known address or employer. The interview required in this subparagraph may be conducted by telephone when the custodial party would have to travel at least 60 miles, or take time from work to be interviewed face-to-face, or is disabled, or lacks transportation.

(E) The child was conceived as the result of artificial insemination of a woman other than the donor's wife, and the husband of the woman, if any, did not consent to the insemination.

(4) The noncustodial parent's or alleged father's residence, employment address, earnings and assets are unknown and the local child support agency has made diligent but unsuccessful quarterly attempts using all locate sources, pursuant to Section 113100, to locate the noncustodial parent or alleged father and his/her earnings or assets. Such efforts shall be made over a three-year period when there is sufficient information to initiate an automated locate effort, or over a one-year period when there is insufficient information to initiate an automated locate effort.

(A) For the purpose of this subparagraph, "sufficient information" means the first and last name and date of birth, and/or Social Security Number of the noncustodial parent or alleged father.

(B) For the purpose of this subparagraph, "diligent" means a local child support agency has done both of the following:

1. For the one-year period, contacted the custodial party at least once to ask for information which might serve to further identify and locate the noncustodial parent or alleged father.

2. Made every reasonable effort to obtain the missing or incomplete Social Security Number of the noncustodial parent or alleged father using all appropriate sources including, but not limited to, the California Parent Locator Service, the Department of Motor Vehicles, the Social Security Administration, and the Federal Parent Locator Service.

(5) The local child support agency determines that the noncustodial parent has no earnings or assets which could be levied or attached for support and the noncustodial parent cannot pay support for the duration of the child's minority for any of the following reasons:

(A) The noncustodial parent is institutionalized in a psychiatric facility.

(B) The noncustodial parent is incarcerated with no chance of parole.

(C) The noncustodial parent has a medically verified total and permanent disability with no evidence of support potential.

(D) The noncustodial parent receives SSI/SSP and has no other attachable income or assets.

(6) The noncustodial parent lives in a foreign country.

(A) The noncustodial parent resides in a country other than Mexico and all of the following apply:

1. The noncustodial parent is a citizen of that country.
2. The noncustodial parent does not work for the United States government or a company which has its headquarters or offices in the United States.
3. The noncustodial parent has no reachable domestic earnings or assets.
4. California does not have reciprocity with the country.

(B) The noncustodial parent resides in Mexico and in addition to the criteria specified in (A)1. through 3. above, the case is a California-initiated request for reciprocal child support services with Mexico, and at least one of the following apply:

1. Paternity is at issue and either California does not have the basis to establish paternity using long-arm jurisdiction, specified in Section 4905, Family Code, or use of long-arm jurisdiction to establish paternity is appropriate and has been attempted but the local child support agency is unable to establish paternity.
2. The noncustodial parent's location is not known.
3. The noncustodial parent is not known to be working, or the local child support agency is unable to determine the noncustodial parent's employer.

4. The local child support agency cannot be provided with a photograph of the noncustodial parent.

5. The only issue in the case is retroactive support for past public assistance paid.

(7) A local child support agency has provided non-Title IV-D location-only services, pursuant to Section 113200, as requested by the custodial party, legal guardian, attorney, or agent, of a child who is not receiving public assistance, whether or not such services were successful.

(8) A recipient of services who is currently not receiving public assistance under Title IV-A, requests closure of a case and there is no assignment for medical support and no assigned arrears.

(9) The court determines it would be inappropriate to establish a child support order for a case in which retroactive child support for past assistance paid is the only issue.

(10) There has been a finding of good cause, as specified in Section 11477.04, or Section 14008.6, Welfare and Institutions Code, or other exceptions to cooperation with the local child support agency, and the State or county welfare department has determined that support enforcement may not proceed without risk of harm to the child or caretaker.

(11) Except as specified in subparagraph (C), a local child support agency is unable to contact a non-Title IV-A recipient of services over a 60-day period after having made at least one attempt to contact the recipient of services by telephone, sending a letter by first-class mail to the last known

address of the recipient of services, and after using the Department of Motor Vehicles and other locate sources to locate the recipient of services.

(A) The 60-day period shall commence with the date that the contact letter is mailed to the last known address of the recipient of services.

(B) A local child support agency shall not mail the case closure letter required by subsection (b), below, until 60 days have elapsed from the date the contact letter was mailed to the recipient of services; and until all responses from queried locate sources have been received indicating no new information is available that would allow the case to remain open.

(C) When the recipient of services is a custodial party and a local child support agency has a child support collection that needs to be distributed to that custodial party, the local child support agency shall attempt to locate the custodial party for six months, pursuant to Section 113100(~~g~~)(h), before the case qualifies for closure under this criterion.

(D) A Medically Needy Only recipient's case shall not be closed under this closure criterion. A local child support agency shall contact the county welfare department for assistance in locating the recipient of services.

(12) A non-Title IV-A recipient of services, except a Medically Needy Only recipient, is uncooperative and an action by the recipient of services is essential for the next step in providing Title IV-D services. A local child support agency shall explain the incident of the noncooperation to the recipient of services in writing and warn the recipient of services that further noncooperation may result in case closure, and shall document circumstances of noncooperation

in the case record. Noncooperation shall include any action or inaction by the recipient of services which is essential for the next step in providing Title IV-D services such as:

- (A) Continuing to accept direct child support payments.
- (B) Failing to attend hearings.
- (C) Refusing to sign forms.
- (D) Refusing to report private attorney actions.

(13) A recipient of services has moved to another county or state and both, subparagraphs (A) and (B) apply:

(A) The recipient of services applied for services in the other county or state.

(B) The local child support agency documents in the case record that contact was made with the other county or state to confirm that the recipient of services has applied for services in the other county or state; and, in the case of an inter-county transfer, to confirm that the case, with its support order and arrears, has been transferred.

(C) Notwithstanding subparagraphs (A) and (B), above, if there are assigned arrears, a case shall not be closed under this closure criterion until one of the following occurs:

1. The assigned arrears are collected.
2. The case is closed under another closure criterion.

3. Responsibility for collecting the assigned arrears is transferred to another county or state.

(14) A local child support agency documents failure by an initiating state in an interstate case to take an action which is essential for the next step in providing Title IV-D services.

(A) If California is the responding state and a local child support agency needs additional information to process an interstate case, that local child support agency shall send to the initiating state a notice requesting the initiating state to provide the information within 30 days, or provide a response within 30 days as to when the information shall be provided.

1. If the information or notice of when information will be provided is not received by the local child support agency after 30 days from mailing the request specified in subparagraph (A) above, the local child support agency shall notify the initiating state that the case will be closed in 60 days.

2. The local child support agency shall also send a copy of the closure notification to the initiating state's central registry with a notation requesting any assistance the central registry can provide the initiating state's Title IV-D agency in obtaining information necessary to keep the case open.

(B) When the initiating state requests case closure and does not provide the case closure criterion, or provides a case closure criterion that is inconsistent with subparagraphs (1) through (13) and (15), the local child

support agency shall send the initiating state a written notice of intent to close the case in 60 days, unless the initiating state provides a case closure criterion that is consistent with subparagraphs (1) through (13) and (15).

(C) The case shall be closed after 60 days have elapsed from the date of mailing the closure notice specified in subparagraph (A)1. and (B) above, if the initiating state does not provide the information needed to process the interstate case or a response stating when the information will be provided.

(15) A Title IV-D case is erroneously opened and both of the following apply:

(A) No Title IV-D services can be appropriately provided for the case.

(B) There is clear and complete documentation in the case file explaining why the case was erroneously opened and why no Title IV-D services can be provided.

(b) A local child support agency shall notify the recipient of services in writing when closing a case pursuant to subsections (a)(1) through (6) and (11) through (14), above, of the local child support agency's intent to close the case.

(1) Written notice shall not be provided for cases closed pursuant to subsections (a)(7), (8), (9), (10) or (15), above.

(2) Written notice of case closure shall be mailed to the last known address of a recipient of services 60 days prior to closing a case. When

the only address for a recipient of services is a Title IV-A agency, a local child support agency shall send the closure notice to that Title IV-A agency's address.

(3) A notice of intent to close the case shall, at a minimum, include the following information:

(A) The reason the case is being closed.

(B) The circumstances under which the case will be reopened, such as receipt of new information regarding the location of the noncustodial parent's or alleged father's residence or earnings or assets, as specified in subsection (c), below.

(C) Whom to contact to apply for possible Social Security death benefits for cases closed for the reasons specified in subsection (a)(2), above.

(4) When a case qualifies for closure pursuant to subsection (a)(1) because the parents have reconciled and the reconciliation makes the family ineligible for public assistance, and there are no arrears assigned to the state that are eligible for enforcement, a local child support agency shall mail a case closure notice to both the custodial party and noncustodial parent. The notice shall state both of the following:

(A) The case is being closed because the family has reconciled.

(B) Title IV-D service shall be terminated.

(5) A case shall remain open if:

(A) A recipient of services responds to a closure notice with information that could lead to the establishment of paternity or a support order or enforcement of an order; or

(B) Contact is re-established with a recipient of services within the timeframes specified in subsection (a)(11).

(c) The local child support agency shall reopen a case that has been closed when a non-Title IV-A former recipient of services requests that the case be reopened and can provide information that could lead to the establishment of paternity or a support order or enforcement of an order. When a non-Title IV-A former recipient of services requests resumption of Title IV-D services, the recipient of services shall complete a new application package pursuant to Section 112100(b)(2).

(d) Closed Title IV-D case records shall be retained for a minimum of four years and four months from the date of closure, unless otherwise specified, and summary criminal history information shall be disposed of, in accordance with record disposal requirements specified in Section 111460.

(e) When a local child support agency closes a case, it shall evaluate the case to determine whether it is appropriate to release, remove, rescind or terminate establishment and enforcement actions initiated against the obligor.

(1) A local child support agency shall release, remove, rescind or terminate all establishment and enforcement actions, when an obligor never had or no longer has a current child support or a medical support obligation, and no arrearage exists.

(2) For purposes of subparagraph (1) above, release, removal, rescission or termination of establishment and enforcement actions includes, but is not limited to, the following:

(A) Dismissal of Summons and Complaints without prejudice. A Summons and Complaint may be dismissed only when a judgment for support has not been entered; or, when a judgment for support has been entered and the court has entered an order to set aside or vacate the judgment.

(B) Termination of income withholding orders and National Medical Support Notices. When the criteria set forth in subparagraph (1) above, are satisfied, such orders shall be terminated under any of the following circumstances, unless the court order specifies alternative termination provisions:

1. The child reaches the age of 18, or, if the child continues to be a full-time high school student, is unmarried, and is not self-supporting, then at the time the child completes the 12th grade or reaches the age of 19, whichever occurs first.

2. The child for whom child support is ordered has legally emancipated.

3. The child for whom child support is ordered has died.

(C) Removal of an obligor's name and social security number from all State and federal intercepts.

(D) Release of personal and real property liens.

(3) If a local child support agency closes a case when the obligor continues to have a current child support or medical support obligation or unassigned arrears exist pursuant to subparagraph (8) of subsection (a), the local child support agency shall release, remove, rescind or terminate establishment or enforcement actions as appropriate. For purposes of this subparagraph, release, removal, rescission or termination of establishment and enforcement actions includes, but is not limited to, the following:

(A) Removal of obligor's name and Social Security Number from all State and federal intercepts.

(B) Substitution of payee on income withholding and medical support order. The local child support agency shall substitute the obligee as the payee on any income withholding and medical support orders.

(C) Substitution of payee on real property lien. The local child support agency shall file and record a substitution of payee in each county in which a judgment or abstract of judgment has previously been recorded.

(D) Substitution of payee on notice of child support lien or lien against personal property lien. The local child support agency shall file a substitution of payee with the Secretary of State for any notice of child support lien previously filed pursuant to Section 17523, Family Code.

(4) When a recipient of services has a family violence indicator, a local child support agency shall obtain from a recipient of services a substitute address, when necessary for releasing, removing, rescinding or terminating establishment and enforcement actions and shall not disclose the whereabouts

of the recipient of services and the affected child(ren) unless ordered to do so by a court of competent jurisdiction after proper notice and hearing.

NOTE: Authority cited: Sections 17306, 17310 and 17312, Family Code.
Reference: Section 581 and 582, Code of Civil Procedures; Sections 3602, 3901, 4007, 4506.2, 5237, 5240, 7613, 17306, 17310, 17312, 17502, 17516, 17523 and 17531, Family Code; Sections 6205 through 6211, Government Code; Sections 11477.04 and 14008.6, Welfare and Institutions Code; 42 United States Code, Sections 407 and 666; and 45 Code of Federal Regulations, Sections 303.3, 303.11.

(3) Repeal Manual of Policies and Procedures Section 12-229.1 as follows:

~~12-229~~ — ~~PROGRAM PERFORMANCE STANDARDS — CASE CLOSURE 12-229~~

~~.1 Case closure shall be done in accordance with Chapter 12-300.~~

~~Note: Authority cited: Sections 10553, 10654, 11475 and 11479.5, Welfare and Institutions Code. Reference: Sections 11479.5 and 15200.8, Welfare and Institutions Code.~~

(4) Repeal Manual of Policies and Procedures Section 12-300 as follows:

~~12-300~~ ~~CASE CLOSURE~~ ~~12-300~~

(5) Repeal Manual of Policies and Procedures Section 12-301 as follows:

12-301 GENERAL 12-301

~~.1 The district attorney shall establish and use a system for closing Title IV-D cases in accordance with this chapter.~~

~~.11 The district attorney shall be permitted to continue to work a case that otherwise qualifies for closure under Section 12-302, if the district attorney believes there is potential for success.~~

~~.2 Definitions of terms used in these regulations, which are common to the Child Support Enforcement Program, are found in MPP Sections 12-701, 12-101.3, and 12-601.~~

~~.3 Definitions of terms specific to these regulations are:~~

~~a. (Reserved)~~

~~b. (Reserved)~~

~~c. (1) Case closure -- means that Title IV-D services will no longer be provided. However, closure does not affect the support order, if the order is still current, or arrearages have accrued under the order. Although the district attorney closes a case, a support order that is current remains in effect and arrearages continue to accrue for the life of the order.~~

~~d. (Reserved)~~

~~e. (Reserved)~~

~~f. (Reserved)~~

~~g. (Reserved)~~

~~h. (Reserved)~~

~~i. (Reserved)~~

~~j. (Reserved)~~

~~k. (Reserved)~~

~~l. (Reserved)~~

m.——(Reserved)

n.——(Reserved)

o.——(Reserved)

p.——(Reserved)

q.——(Reserved)

r.——(Reserved)

s.——(Reserved)

t.——(1) ~~Transitional Child Care (TCC)~~ means the TCC program
administered by the Title IV-A agency in accordance with MPP
Section 47-100 et seq.

u.——(Reserved)

v.——(Reserved)

w.——(Reserved)

x.——(Reserved)

y.——(Reserved)

z.——(Reserved)

NOTE: Authority cited: Sections 10554, 11475 and 11479.5, Welfare and Institutions Code. Reference: Section 11479.5, Welfare and Institutions Code; 45 CFR Section 303.11(a); Federal Register, Vol. 54, No. 149, August 4, 1989, page 32303, comments a.1 and a.3.

(6) Repeal Manual of Policies and Procedures Section 12-302 as follows:

12-302 CASE CLOSURE CRITERIA 12-302

~~.1 Title IV D cases qualify for closure only if they meet at least one of the following criteria:~~

~~(a) There is no longer a current support order and arrearages are under \$500; or, arrearages are unenforceable under state law. Situations to which these criteria apply include, but are not limited to, the following:~~

~~(1) Reconciliation of the family or the death of a child constitutes grounds for terminating the current support order.~~

~~(2) Medical support orders and arrearages which accrue under such orders. Medical support arrearages would be part of the arrearages accruing under the support order if a specific dollar amount for medical support is designated in the order by a court or administrative authority.~~

~~(b) The absent parent or putative father is deceased and both of the following apply:~~

~~(1) No further action can be taken, including a levy against the estate.~~

~~(2) The local child support agency has documented the attempts to identify assets which could be levied and the attempts were unsuccessful.~~

~~(c) Paternity cannot be established because of one of the following:~~

~~(1) A genetic test or court or administrative process has excluded the putative father and no other putative father can be identified.~~

~~(2) The local child support agency determines that the child's best interest will not be served by establishing paternity because incest or rape was involved, or legal proceedings for adoption are pending.~~

~~(d) The absent parent's location is unknown and the local child support agency has made quarterly attempts for three years, using multiple sources, to locate the absent parent, all of which have been unsuccessful.~~

~~(e) The absent parent cannot pay support for the duration of the child's minority for any of the three reasons stated below and the local child~~

~~support agency determines that no income or assets are available to the absent parent which could be levied or attached for support:~~

~~(1) — The absent parent is institutionalized in a psychiatric facility.~~

~~(2) — The absent parent is incarcerated with no chance of parole.~~

~~(3) — The absent parent has a medically verified total and permanent disability with no evidence of support potential.~~

~~(f) — The absent parent lives in a foreign country and all of the following apply:~~

~~(1) — The absent parent is a citizen of a foreign country.~~

~~(2) — The absent parent does not work for the United States government or a company which has its headquarters or offices in the United States.~~

~~(3) — The absent parent has no reachable domestic income or assets.~~

~~(4) — The state is unable to establish reciprocity with the country.~~

~~(g) — The local child support agency has provided location-only services as requested by the custodial parent, legal guardian, attorney, or agent of a child who is not receiving CalWORKs, whether or not such services were successful.~~

~~(h) — The non-AFDC custodial parent requests closure of a case and any arrearages assigned to the state are under \$500.~~

~~(i) — There has been a finding of good cause and the state or local welfare (Title IV-A) or foster care (Title IV-E) agency has determined that support enforcement may not proceed without risk or harm to the child or caretaker relative. (See MPP Section 43-107.4 for good cause criteria.)~~

~~(j) — The local child support agency is unable to contact the non-CalWORKs custodial parent over a 30-calendar-day period despite attempts to contact the parent both by phone and letter, including at least one certified, return receipt, letter.~~

~~(k) — The non-CalWORKs custodial parent is uncooperative and both of the following apply:~~

~~(1) — The local child support agency documents the circumstances of noncooperation in the case file.~~

- ~~(2) — An action by the custodial parent is essential for the next step in providing Title IV-D services.~~
- ~~(l) — The case involves only the establishment of an order for the reimbursement of aid and all of the following apply:~~
 - ~~(1) — Aid has terminated.~~
 - ~~(2) — The absent parent is located.~~
 - ~~(3) — The absent parent refuses to stipulate to a reimbursement order.~~
 - ~~(4) — Court ordered reimbursement cannot reasonably be expected to exceed \$1,000.~~
- ~~(m) — The custodial parent has moved to another county or state and both of the following apply:~~
 - ~~(1) — The custodial parent applied for services in the other county or state.~~
 - ~~(2) — The local child support agency documents in the case file that contact was made with the other county or state to confirm that the custodial parent has applied for services in the other county or state, or, in the case of an intercounty transfer, to confirm that the case has been transferred.~~
- ~~.2 — The local child support agency shall notify the custodial parent of the Title IV-D agency's intent to close the case.~~
- ~~.21 — Notice of case closure to the custodial parent need not be provided for cases closed under Sections 12-302.1(g), .1(h), or .1(i).~~
- ~~.22 — When cases are being closed under Sections 12-302.1(h), (j), or (k) and the non-CalWORKs custodial parent is receiving TCC, the local child support agency shall notify the Title IV-A agency about the cases being closed.~~
- ~~.3 — Notice of case closure shall be sent in writing 60 calendar days prior to closing the case.~~
 - ~~(a) — The notice of intent to close the case must provide, at a minimum, the following information:~~
 - ~~(1) — The reason why the case is being closed.~~

~~(2) — The circumstances under which the case could be reopened, such as new information regarding the absent parent's location.~~

~~(3) — A telephone number and address where questions concerning the case closure notice can be directed.~~

~~(b) — The case shall be kept open if the custodial parent responds to the closure notice with information that could lead to the establishment of paternity or a support order or enforcement of an order.~~

~~(c) — The case shall remain open if contact is re-established with the custodial parent in the instance of Section 12-302.1(j).~~

~~.4 — The case shall be considered for reopening at a later date if the custodial parent requests that the case be reopened and can provide information that could lead to the establishment of paternity or a support order or enforcement of an order.~~

~~.5 — Child support services shall continue after aid is terminated until the recipient notifies the local child support agency that he/she no longer desires the services.~~

~~NOTE: Authority cited: Sections 10554, 11475 and 11479.5, Welfare and Institutions Code. Reference: 45 CFR Sections 302.33(a)(4), 302.35(c)(3), 303.3(b)(5), 303.11(b)(1) through (b)(12), and (c); Sections 11350 and 11479.5, Welfare and Institutions Code; Federal Register, Vol. 54, No. 149, dated August 4, 1989, page 32304, comments b.3, b.4 and c.2 and page 32306, comment k; Federal Register, Vol. 54, No. 98, dated May 23, 1989, page 22328, first column, second paragraph; Sections 4700(c) and 7006(a)(1), Civil Code; and Office of Child Support Enforcement letter dated November 3, 1989.~~

FINAL STATEMENT OF REASONS

UPDATE OF INITIAL STATEMENT OF REASONS

Section 110385

Section 110385 was adopted to define “income withholding order.” This section is now repealed to avoid duplication of Section 110355. Subsequent to the adoption of this definition, the Department adopted Section 110355 on October 21, 2002. Section 110355 further defines and clarifies the term “income withholding order” and replaces Section 110385.

Section 118203 Requirements for Case Closure

Subparagraph (a)(11)(C) requires local child support agencies to attempt to locate a custodial party for six months, when the local child support agency has a collection to distribute to the custodial party. The specific locate requirements are found in Title 22, Division 13, Chapter 3, Section 113100(h). This section is amended to change the incorrect cross-reference to subparagraph (g), to the correct cross-reference to subparagraph (h). This change does not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations. This change is without regulatory effect as specified in Title 1, Section 100(a)(4).

Local Mandate Determination:

The Department has determined that the regulations would not impose a mandate on local agencies or school districts.

Consideration of Alternatives:

The Department has determined that no reasonable alternative considered by the Department or that has otherwise been identified or brought to the attention of the Department would be more effective in carrying out the purpose for which these regulations are being implemented or would be as effective and less burdensome to affected private persons than these regulations.

Manual of Policies and Procedures (MPP)

Manual of Policies and Procedures Sections 12-229, 12-300, 12-301.0 through .3 and 12-302.0 through .5 have been repealed because the regulatory provisions previously contained in these sections have been modified and relocated to Articles 1 and 2 of Chapter 8.

Documents Relied Upon:

The Department relied upon the following documents to support the regulatory provisions contained in this emergency rulemaking:

Documents issued by the federal Office of Child Support Enforcement.

- Federal Register, Volume 64, Number 46, published March 10, 1999.
- AT 89-15, "Final Regulation", dated August 4, 1989.
- AT 93-03, "Clarification of Case Closure Criteria," dated March 18, 1993.
- PIQ 00-02, "Interstate Case Closure When Custodial Parent Location is Unknown," dated August 10, 2000

Documents issued or reissued by the Department.

- FSD Letter No. 91-6, "Certification of State Child Support Case Closure Regulations and Questions and Answers Regarding Closure Regulations," dated March 27, 1991
- FSD Letter No. 91-37, "Case Closure Questions and Answers (Part 2)," dated January 13, 1992
- FSD Letter No. 93-01, "Case Closure Questions and Answers, Part 3," dated January 8, 1993
- FSD Letter No. 94-07, "Case Closure Questions and Answers, Part 4," dated March 3, 1994
- FSD Letter No. 94-32, "Policy For Closing Cases That Cannot Be Worked Because The Noncustodial Parent Resides In Mexico," dated November 15, 1994
- FSD Letter No. 96-09, "Case Closure Questions and Answers (Part 5)," dated April 24, 1996
- CSS Letter No. 01-16, "Implementation of Revised Case Closure Policy," dated June 25, 2001
- P3 Case Closure Workgroup recommendations, dated May 2001.

STATE OF CALIFORNIA

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

See SAM Sections 6600-6680 for Instructions and Code Citations

STD. 399 (Rev. 2-98)

| | | |
|--|--|--|
| Department Name Child Support Services | Contact Person Nancy Hutchison-Program Gary Fujii-Budget | Telephone Number (916) 464-5098 (916) 464-5177 |
| Descriptive Title From Notice Register or Form 400 Case Closure | | Notice File Number |

ECONOMIC IMPACT STATEMENT

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *(Include calculations and assumptions in the rulemaking file.)*

1. Check the appropriate box(es) below to indicate whether this regulation:

- ☐ a. Impacts businesses and/or employees
 ☐ e. Imposes reporting requirements
☐ b. Impacts small businesses
 ☐ f. Imposes prescriptive instead of performance standards
☐ c. Impacts jobs or occupations
 ☐ g. Impacts individuals
☐ d. Impacts California competitiveness
 ☒ h. None of the above (Explain below. Complete for Fiscal Impact Statement as appropriate).

h. (cont.)

The case closure regulations interpret, implement and make specific existing state and federal laws and regulations related to case closure. The regulations will not result in any increase or decrease in the level of services currently provided, or activities currently performed by child support agencies. The regulations do not place additional requirements on persons who avail themselves of the services provided by the Department of Child Support Services. However, it should be noted there is a fiscal effect on local child support agencies for costs associated with EDP enhancements, which are funded through state and federal funds.

(If any box in Items a. through g. is checked complete this Economic Impact Statement)

2. Enter the total number of businesses impacted:

Describe the types of businesses (include nonprofits):

Enter the number or percentage of total businesses impacted that are small businesses:

3. Enter the number of businesses that will be created: ___ eliminated: ___

Explain:

4. Indicate the geographic extent of impacts: ☐ Statewide ☐ Local or regional (list areas)
5. Enter the number of jobs created: ___ or eliminated: ___ Describe the types of jobs or occupations impacted: ___.
6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? ☐ Yes ☐ No

B. ESTIMATED COSTS (Include calculations and assumptions in the rulemaking file).

1. What are the total statewide costs that businesses and vendors may incur to comply with this regulation over its lifetime? \$
- a. Initial costs for a small business: Annual ongoing costs:
b. Initial costs for a typical business: Annual ongoing costs:
c. Initial costs for an individual: Annual ongoing costs:
d. Describe other economic costs that may occur:
2. If multiple industries are impacted, enter the share of total costs for each industry:
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements (include the dollar amounts to do record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted).
4. Will this regulation directly impact housing costs? ☐ Yes ☐ No If yes, enter the annual dollar cost per housing unit \$ _____ and the number of units: _____.
5. Are there comparable Federal regulations? ☐ Yes ☐ No Explain the need for State regulation given the existence or absence of Federal regulations:

C. ESTIMATED BENEFITS (Include calculations and assumptions in the rulemaking file)

1. Briefly summarize the benefits that may result from this regulation and who will benefit:
2. Are the benefits the result of: ☐ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority? Explain:

3. What are the total statewide benefits from this regulation over its lifetime?

D. ALTERNATIVES TO THE REGULATION *(Include calculations and assumptions in the rulemaking file).*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not.
2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

| | | |
|----------------|----------|------|
| Regulation: | Benefit: | Cost |
| Alternative 1: | Benefit: | Cost |
| Alternative 2: | Benefit: | Cost |

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives:
4. Rulemaking law requires agencies to consider performance standards as an alternative if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs?
☐ Yes ☐ No

Explain:

MAJOR REGULATIONS *(Include calculations and assumptions in the rulemaking file)*

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? ☐ Yes ☐ No (If no, skip the rest of this section)
2. Briefly describe each equally as effective alternatives, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1:
Alternative 2:

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: \$ _____ Cost-effectiveness ratio:

Alternative 1: \$ _____
Alternative 2: \$ _____

Cost-effectiveness ratio:
Cost-effectiveness ratio:

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT *(Indicate appropriate boxes 1. through 6. and attach calculations and assumptions of fiscal impact for the current year and two subsequent years.)*

- ☐ 1. Additional expenditures of approximately \$0 in the current State Fiscal Year 2001-02 which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:

- ☐ a. is provided in (Item _____ Budget Act of _____) or (Chapter _____, Statutes of _____)
☐ b. will be requested in the _____ Governor's Budget for appropriation in Budget Act of _____.

- ☐ 2. Additional expenditures of approximately \$_____ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:

- ☐ a. implements the Federal mandate contained in _____
☐ b. implements the court mandate set forth by the _____ court in the case of _____ vs. _____
☐ c. implements a mandate of the people of this State expressed in their approval of Proposition No. _____ at the _____ election.
☐ d. is issued only in response to a specific request from the _____ which is/are the only local entity(s) affected.
☐ e. will be fully financed from the _____ authorized by Section _____ of the Code.
☐ f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit.

- ☐ 3. Savings of approximately \$_____ annually.

- ☐ 4. Other. No additional costs or savings because this regulation makes only technical,

non-substantive or clarifying changes to current law and regulations.

- ☐ 5. No fiscal impact exists because this regulation does not affect any local entity or program.
- ☒ 6. Other. There are no local government costs; costs are funded through state and federal government.

B. FISCAL EFFECT ON STATE GOVERNMENT *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent fiscal years)*

- ☒ 1. Additional expenditures of approximately \$127,000 in the current State Fiscal Year 2001-02.
It is anticipated that State agencies will:
- ☒ a. be able to absorb these additional costs within their existing budgets and resources (provided in Item 5175-101-0001 Budget Act of 2001) or (Chapter 106, Statutes of 2001).
- ☐ b. request an increase in the currently authorized budget level for the ____ fiscal year.
- ☐ 2. Savings of approximately \$ _____ in the current State Fiscal Year.
- ☐ 3. No fiscal impact exists because this regulation does not affect any State agency or program.
- ☐ 4. Other. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent years.)*

- ☒ 1. Additional expenditures of approximately \$ 247,000 in the current State Fiscal Year 2001-02. Costs will be absorbed within existing budgets and resources (provided in Item 5175-101-0001 Budget Act of 2001) or (Chapter 106, Statutes of 2001).

- ☐ 2. Savings of approximately \$ _____ in the current State Fiscal Year.
- ☐ 3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.
- ☐ 4. Other. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.

| | |
|--|--|
| SIGNATURE Gary Fujii | TITLE Chief, Financial Planning Section |
| AGENCY SECRETARY ¹ APPROVAL/CONCURRENCE | DATE 11/29/01 |
| DEPARTMENT OF FINANCE ² APPROVAL/CONCURRENCE | DATE 11/18/02 |

- The signature attests that the agency has completed the STD 399 according to the instructions in SAM sections 6600-6680, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.
- Finance approval and signature is required when SAM sections 6050-6057 require completion of the Fiscal Impact Statement in the STD 399. However, Finance must immediately receive a copy of each STD 399 submitted to OAL without Finance signature and Finance may subsequently question the "no fiscal impact" finding of a state agency.

Note:FY 2001-02

| | <u>Total</u> | <u>Federal</u> | <u>State</u> | <u>County</u> |
|-------------------------|------------------|----------------|----------------|---------------|
| LOCAL ASSISTANCE | | | | |
| EDP Case Closure | \$374,000 | 247,000 | 127,000 | 0 |
| Total | \$374,000 | 247,000 | 127,000 | 0 |

1) It is assumed no additional costs or savings for administrative costs because there will not be an increase or decrease in the level of activities currently performed by the local child support agencies (LCSA). However, program improvement teams funds have been provided within the LCSAs' administrative allocations to cover any costs that may occur for staffing activities, such as, case closures.

2) It is assumed that the EDP enhancements will automate the case closure process, and funds have been provided within the FY 2001-02 Appropriation under the EDP Conversion and Enhancements premise.